MPD-6755-60

#685

REPLY TO:
Auditor General
Comptroller, USAF
Eastern District
Liaison Office
P.O. Box 8155, S.W. Station
Washington, D.C.

12 September 1960

SUBJECT: Report of Final Audit of CPFF Contract
The Perkin-Elmer Corporation
Norwalk, Connecticut
Contract No. CM-5400

TO : Contracting Officer

REF : MPD-2624-60

1. A final audit has been made of the contractor's claimed costs from inception through completion of work under the subject contract.

2. The auditor's recommendations are summarized as follows:

		Contractor's Claim	Auditor's Recommendations	
			For Acceptance	For Non-Acceptance
	Costs	$173,308.18	$173,007.00	$301.18 (a)
	Fee	16,410.00		
25X1A10	Total	$189,718.18		

3. Included in the amount recommended for acceptance in paragraph a is a total amount of $51,619, representing overhead and G & A expense for the fiscal year ended 31 July 1960 at rates used by the contractor which have not been finalized by negotiation with the cognizant government agency, as follows:

	Labor	Overhead	
	Hours	Rate	Amount
Overhead			
Engineering	9399.8	███████	███████
Optical Shop	119.7		
Quality Control	2.1		
G & A Expense			
Manufacturing costs from 1 August 1959 to 31 October		███████	
G & A rate applied by contractor			
Total			

25X1A10

25X1A10

25X1A10

████████████████████████████

4. Of the total costs for material and stores issues incurred under the contract of $11,283.80, there is a residual inventory of approximately $8,700. Property controls currently in effect have been accepted as satisfactory by the auditor. Permission has been requested of the Contracting Officer by the contractor to effect transfer of the residual inventory to other current contracts.

████████████████
Audit Liaison Officer
Eastern District
Auditor General

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